

PRESS RELEASE

[August 4, 2011]

Good Morning.

City Representatives have received numerous comments and questions, both at the Public Forum and separately from concerned citizens and other individuals regarding the terms and conditions of the proposed Lease to repower the City of Jasper's Power Plant. The City has continued to negotiate with Jasper Clean Energy regarding the Lease terms. In connection with those negotiations, the City has had the opportunity to address and clarify in the Lease a number of those concerns. I want to express my appreciation to those individuals and groups who have provided input and assistance to the City in improving the proposed Lease. I want to take this opportunity to share with you the revised terms that were incorporated into the Lease in response to input received from citizens, USB Members, City Councilmen and other groups.

Restrictions on Hiring – Elected Officials and USB Board Members

- There were continued concerns that the 1 year restriction on hiring was not long enough to alleviate concerns that those who may have input or influence under the Lease could benefit in the future from this proposed lease arrangement.
- That time period has now been increased in the proposed lease from 1 year to 3 years for elected officials of the City and USB Members.

Royalty Payments for Renewable Energy

- City Representatives were able to clarify that the City will receive royalty payments for the renewable energy produced by the proposed Project for the current boiler, and in connection with any replacement or substitute boiler utilized by the proposed Project.

- Further, City representatives were also able to negotiate additional terms within the Lease that clarify that in the event renewable energy (other than solar energy) is produced at the Site, the City would receive its royalty payment on the production of such renewable energy.

Defense of Lawsuits

- City Representatives were able to clarify with Jasper Clean Energy additional conditions within the Lease which would require Jasper Clean Energy to defend certain potential lawsuits regarding the Lease. Jasper Clean Energy will be obligated to fund the first \$25,000 of such lawsuits. Thereafter, Jasper Clean Energy and the City of Jasper would share the cost 50/50 of any additional cost or fees above \$25,000.

The City of Jasper's total potential cost for such lawsuits would be capped at \$200,000.

- The City's obligation to reimburse Jasper Clean Energy for its share of the defense costs for such lawsuit would be deducted against future rent payments.

Truck Routes

- Concerns have been raised about the health implications of additional truck traffic through residential neighborhoods bringing in Miscanthus to the proposed Project. City officials have included provisions within the Lease which will direct truck traffic to utilize 30th Street and Cathy Lane to deliver Miscanthus to the proposed Project in order to keep the additional truck traffic out of residential neighborhoods.

Damage / Replacement of Facility

- Comments have been received regarding the City's obligation to replace or repair the modified boiler or other existing improvements in connection with the proposed Project.

- City Representatives have negotiated additional language within the Lease clarifying the City's responsibility to only repair or replace damaged equipment or improvements at the Site up to the Commencement Date of the Lease. Thereafter, the City has no obligation to repair or replace damaged equipment or improvements at the power plant, which will be the sole obligation of Jasper Clean Energy.

Acceptance of Remaining Equipment

- Jasper Clean Energy has the obligation under the Lease to deliver to the City at the end of the Lease an operating closed-loop biomass facility. It is expected that Jasper Clean Energy will also be acquiring spare parts for the operation of the proposed Project during the term of the Lease. Concerns have been raised that Jasper Clean Energy may require the City to buy spare parts that are no longer needed or outdated. City Representatives have negotiated clarifying language which allows the City to determine what, if any, spare parts would be purchased by the City at the end of the Lease in connection with the acceptance of the return of the Facility.

Update of Facility Map – Jasper Clean Energy

- There have been inquiries about the proposed Facility and how the current building will be remodeled or used.
- Jasper Clean Energy would be required to provide the City with a site map identifying the location of improvements placed on the Site.
- The Lease now contains an updated Facility Map which shows the proposed locations of the additional improvements as well as the location of current buildings and improvements.
- This Facility Map also uses the current survey of the property, which locates the proposed boundaries of the property to be leased to Jasper Clean Energy.

Maintenance by Jasper Clean Energy

- The previously published version of the Lease did not identify the maintenance responsibilities of the City of Jasper and Jasper Clean Energy.
- Concerns were raised as to the continuing responsibility the City may have with respect to the proposed Project.
- The Lease now contains language which affirmatively requires Jasper Clean Energy to perform all emergency, necessary, scheduled, and routine maintenance with respect to the proposed Project during the 20 year term of the Lease.

Compensation of Coordination Committee

- Concerns have been raised that the City Representatives or others who may serve on the Coordination Committee may be compensated or receive other benefits from Jasper Clean Energy in connection with their potential service on the Coordination Committee.
- It has always been the City's position that Jasper Clean Energy could not compensate or otherwise provide some extraordinary benefit to any City Representative serving on this Committee.
- The Lease has now been modified to confirm that members of the Coordination Committee can only be compensated by the party they represent.

The City Representatives are working on completion and reformatting of the Lease. As soon as that work has been completed, the updated Lease will be posted on the City's website so that the additional terms and clarifications that I have identified above can be viewed in more detail.

I want to express my appreciation on behalf of all of those involved in the negotiation and development of this Lease and the proposed Project.